



The Phone Company Management Group, LLC
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Aurora, CO 80014

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April 29, 2003

Via Federal Express

The Honorable Philip J. Dion III
Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

MAY 21 2003

DOCKETED BY	
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Re: Docket Nos. T-03889A-02-0796 and T-04125A-02-0796
The Phone Company Management Group, LLC, et al.

Dear Judge Dion,

I write to advise you that The Phone Company Management Group, LLC, f/k/a LiveWireNet of Arizona, LLC, and the other Respondents associated with, or related to, The Phone Company Management Group, LLC ("PCMG") and named in the above-captioned dockets, except for The Phone Company of Arizona, LLP, will not be producing on May 2, 2003 the documents listed in the Staff's Motion to Compel ("Motion"), as set forth in your Procedural Order filed April 11, 2003. I detail below the reasons why PCMG will not be producing these documents.

As you are aware, on October 18, 2002, the Utilities Division Staff of the Arizona Corporation Commission ("Staff") filed a Complaint and Petition for Relief ("Complaint") against PCMG, LiveWireNet of Arizona, LLC, The Phone Company of Arizona Joint Venture d/b/a The Phone Company of Arizona, LLP, On Systems Technology, LLC, and its principals, Tim Wetherald, Frank Tricamo and David Stafford Johnson (collectively, "PCMG"). The Complaint alleged that, among other things, PCMG was not fit to hold a Certificate of Convenience and Necessity ("CCN").

On November 14, 2002, Qwest Corporation ("Qwest") filed an Application to Intervene, which the Arizona Corporation Commission ("Commission") granted. On November 8, 2002, PCMG, on behalf of itself, LiveWireNet, LLC, On Systems Technology, LLC, Tim Wetherald, Frank Tricamo and David Stafford Johnson, filed their Answer. On December 6, 2002, you issued a Procedural Order scheduling a pre-hearing conference to be held in the above-referenced dockets on January 7, 2003.

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On January 7, 2003, all parties appeared before you, as directed by your December 6 Order, to discuss the procedural aspects of the above dockets. On January 3, 2003 the firm of Shughart Thomson & Kilroy, P.C. entered an appearance on behalf of PCMG after PCMG retained the firm to represent it in these dockets. PCMG had intended to go forward with these dockets, and present evidence in response to the Staff's Complaint. Subsequent to January 7, 2003, the parties engaged in discovery, and the hearing date which you originally scheduled for February 24, 2003 was continued, ultimately until April 15, 2003. Now, based upon your April 11, 2003 Procedural Order, the hearing has been continued without a date and will be set pursuant to another procedural order.

On February 25, 2003, you issued a Procedural Order, in which you directed PCMG to issue a "Notice of Possible Termination of Services" to PCMG's customers by February 27, 2003. Your Order was based upon Qwest's representations that it would disconnect PCMG's wholesale service beginning March 21, 2003, for alleged nonpayment of Qwest's billings to PCMG. PCMG vigorously contests Qwest's charges, and the Qwest-PCMG dispute is close to litigation in the appropriate court. PCMG, by letter dated February 26, 2003, determined not to send the Notice of Possible Termination ("Notice") to its customers, and to appeal your decision, in the belief that your decision was legally erroneous. In its appeal, filed March 6, 2003, PCMG pointed out that if it were to issue such a Notice, it would, in effect, destroy its customer base, and drive PCMG out of business in Arizona. At that time, PCMG was serving approximately 4,000 retail residential customers with local exchange service, purchased at wholesale for resale from Qwest.

PCMG's March 6 appeal was apparently denied (PCMG has not received any ruling on this appeal), as you ordered the Staff to send a Notice of Possible Termination to PCMG's customers by March 11, 2003. On March 11, 2003, the Staff sent such a Notice to PCMG's customers. Upon PCMG's customers' receipt of the Notice, PCMG's customer base was effectively destroyed.

In March 2003, PCMG entered into an Agreement with USURF America, Inc. ("USURF"), to sell its customer base, or what was left of it. Almost simultaneously, PCMG filed an application with the Commission for discontinuance of service. PCMG also directed its counsel in these dockets, Mr. Michael L. Glaser and Shughart Thomson & Kilroy, P.C., to send the Commission a copy of the Agreement, with pertinent documents. Pursuant to his letter dated March 13, 2003, Mr. Glaser sent a copy of the Agreement to the Commission and all parties in these dockets. Thereafter, PCMG also instructed its counsel, Mr. Glaser, to voluntarily surrender PCMG's Certificate of Convenience and Necessity ("CCN") and cancel its tariff, effective April 1, 2003. Mr. Glaser did so pursuant to his letter of April 1, 2003. At or about that time, PCMG advised Mr. Glaser that PCMG was not able to go forward with the presentation of evidence in the above-referenced dockets because PCMG no longer had the resources to do so. PCMG instructed Mr. Glaser to make no further appearances on behalf of PCMG, other than what had been previously scheduled, such as a pre-hearing conference on April 3, 2003, and to

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file a Motion to Withdraw as PCMG's counsel. Accordingly, Mr. Glaser's firm did appear by telephone at the April 3, 2003 pre-hearing conference, since it was already scheduled, although the conference did not proceed because of a lack of a court reporter. Mr. Glaser also appeared by telephone at the April 9, 2003 procedural conference, which was scheduled as a result of the inability to have the April 3, 2003 pre-hearing conference recorded by a court reporter. On April 10, 2003, Mr. Glaser and Shughart, Thomson & Kilroy, P.C., filed a Motion to Withdraw as PCMG's counsel, based upon PCMG's instructions.

At the April 9 pre-hearing conference, PCMG instructed Mr. Glaser to advise you and the other parties that PCMG was without resources, and would not go forward in this proceeding nor appear at the hearing scheduled for April 15, 2003. PCMG believes that since it had voluntarily surrendered its CCN and canceled its tariff, effective April 1, 2003, and is no longer rendering telecommunications service in Arizona (and has not since March 12, 2003), the Commission no longer has jurisdiction over PCMG from a regulatory standpoint. Therefore, PCMG cannot and will not be participating in these dockets. I reiterate the reasons for this decision:

1. PCMG has voluntarily surrendered its CCN and cancelled its tariff for local exchange service, effective April 1, 2003; and
2. PCMG is not rendering service, has no authorization from the Commission to do so, and the Commission has no regulatory jurisdiction over PCMG because it is not offering service and surrendered its CCN.
3. PCMG lacks the resources to go forward.

PCMG has no employees and no operations. Furthermore, PCMG's assets consist of certain claims which it may bring against third parties, accounts receivable, most of which are doubtful of collection, the possibility of receiving compensation from USURF for PCMG's customer base. PCMG has no equipment and no hard assets. PCMG has received no compensation, in any form, from USURF as of this date. PCMG has no liabilities, other than what it regards as a contingent liability to Qwest.

In view of these facts, I wanted to advise you directly of PCMG's position, so that you will not be expecting PCMG to file direct testimony in this proceeding, respond to new data requests which continue to be served on PCMG and its former counsel, or produce documents pursuant to your April 11 Procedural Order.

I emphasize that PCMG has instructed Mr. Glaser and Shughart Thomson & Kilroy, P.C. not to appear on PCMG's behalf in this proceeding and to withdraw as PCMG's counsel. Mr. Glaser and Shughart Thomson & Kilroy, P.C. have complied with PCMG's instructions by filing a Motion to Withdraw on April 10, 2003, and by advising you and the other parties at the April 9, 2003 pre-hearing conference of PCMG's position.

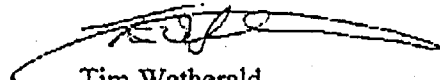
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PCMG recognizes, however, that the Staff has leveled serious allegations against PCMG and/or the undersigned. PCMG and/or the undersigned anticipate that, if PCMG and/or the undersigned ever file an application for a CCN in Arizona in the future, PCMG and/or the undersigned will be required to undergo a hearing to determine qualifications to hold a CCN from the State of Arizona. In fact, PCMG and/or the undersigned will welcome that opportunity, as PCMG and/or the undersigned deny each and every one of these allegations, and expect to be able to prove by a preponderance of the evidence that these Staff allegations have no basis in fact or merit.

I wanted you to have the opportunity to have the above facts presented by PCMG in this case, rather than speculate on why PCMG will not be able to go forward in this proceeding.

At PCMG's former counsel's request, PCMG also filed a Motion to Terminate the above-referenced dockets on April 2, 2003, based upon PCMG's voluntary surrender of its CCN and cancellation of its tariff. I ask that you act on all outstanding motions quickly and grant them, based upon the facts set forth above.

Very truly yours,



Tim Wetherald
Manager, The Phone Company
Management Group, LLC

/tw


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STATE OF COLORADO)
) SS
COUNTY OF Apache)

On this 29th day of April, 2003, before me the undersigned, a Notary Public, in and for the County and State aforesaid, personally appeared, to me known to be the person who executed the foregoing instrument in my presence and acknowledged to me that executed the same as free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

My Commission Expires:
My Commission Expires
3/5/2008


NOTARY PUBLIC

cc: Maureen A. Scott, Esq.
Christopher Kempley
Lyn Farmer
Ernest Johnson
Mark E. Brown, Esq.
Timothy Berg, Esq.
Theresa Dwyer, Esq.
Jeffrey Crockett, Esq.
Michael L. Glaser, Esq.
Docket Control (+13 copies)

MAILING INSTRUCTIONS

- ✓1. The original signed and notarized letter must be sent to Judge Dion at this address:

The Honorable Philip J. Dion III
Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

- ✓2. Fourteen (14) copies of the letter must be sent directly to ACC Docket Control at this address, for filing:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

- ✓3. One (1) copy each must be sent to Maureen A. Scott, Esq., Christopher Kempley, Lyn Farmer and Ernest Johnson at the ACC. We usually send one large envelope addressed to Maureen Scott that also contains small envelopes for Kempley, Farmer and Johnson. Ms. Scott's assistant then distributes the envelopes. The envelopes to Ms. Scott and the others should be addressed as follows:

✓Maureen A. Scott, Esq.
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

✓Christopher Kempley, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

✓Lyn Farmer, Chief Hearing Officer
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

✓Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

(continued on next page)

4. Finally, one (1) copy must be sent to each of the parties' counsel at their addresses below:

/ Timothy Berg, Esq.
Theresa Dwyer, Esq.
Fennemore Craig
3003 N. Central Avenue, Suite 2600
Phoenix, AZ 85003-2913

/ Mark Brown, Esq.
Qwest Corporation
3033 N. 3rd Street, Suite 1009
Phoenix, AZ 85012

/ Jeffrey Crockett, Esq.
Snell & Wilmer
One Arizona Center
400 E. Van Buren
Phoenix, AZ 85004

/ Marty Harper, Esq.
Kelly Flood, Esq.
Shughart Thomson & Kilroy, P.C.
One Columbus Plaza
3636 N. Central Avenue, Suite 1200
Phoenix, AZ 85012

/ Michael L. Glaser, Esq.
Shughart Thomson & Kilroy, P.C.
1050 17th Street, Suite 2300
Denver, CO 80265